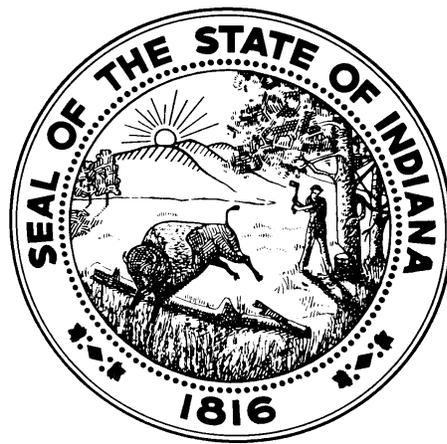


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CLERK OF THE CIRCUIT COURT
FULTON COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/23/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Letty McKee	01-01-07 to 12-31-10
President of the County Council	James L. Widman	01-01-07 to 12-31-08
President of the Board of County Commissioners	Richard A. Powell	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF FULTON COUNTY

We have examined the records of the Clerk of the Circuit Court for the period from January 1, 2007 to December 31, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Fulton County for the year 2007.

STATE BOARD OF ACCOUNTS

June 9, 2008

CLERK OF THE CIRCUIT COURT
FULTON COUNTY
EXAMINATION RESULTS AND COMMENTS

CLERK'S TRUST ITEMS OVER FIVE YEARS OLD

Our review of trust items on hand revealed that many items had been on hand for a period for five years or longer. A similar comment was in prior Reports B23060, B25334 and B29935.

Indiana Code 32-34-1-20(c)(6) states: "For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed property under 32-34-3."

TRANSACTION RECORDING

Some adjusting and correcting entries for items such as voided checks, NSF checks, etc. were not detailed in the records of the Clerk of the Circuit Court, except on the daily reports. When using summary reports to accumulate annual information the adjustments made do not show on the transaction detail of the cash book, but do affect the balances shown. Records generated by computerized accounting system are adequate to reflect the daily activity. However, the reports for year-end misstate total receipts and total disbursements for the period. The only way to verify the year-end financial information is to review each daily cash report and identify each adjustment. The total of these adjustments would then have to be accumulated and included as a reconciling item to adjust the reported total receipts and total disbursements. This process was not performed by the Clerk of the Circuit Court to provide accurate annual financial information for audit.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 15)

CLERK OF THE CIRCUIT COURT
FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2008, with Letty McKee, Clerk of the Circuit Court; James L. Widman, President of the County Council; and Richard A. Powell, President of the Board of County Commissioners. The official response has been made a part of this report and may be found on pages 6 through 14.

Clerk, Fulton Circuit Court
Letty McKee

Courthouse
815 Main Street
Rochester, IN 46975-1594

Telephone: (574) 223-2911
Fax: (574) 223-8304

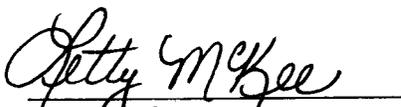


State Board of Accounts,

I met with Susan from State Board of Accounts, Jim Widman, President of the Fulton County Council, Rich Powell, President of the Fulton County Commissioners and Denise Chandler, Fulton County Auditor on Monday, June 9, 2008 to go over my Examination Results.

I was very concerned with their findings on my computer system. I do not feel this should be a write-up on my Examination Results and Comments. This is a computer system issue, not something I can change. I have contacted CSI our computer system and have enclosed their response. Without change in the system this issue can not be corrected. We have used this same system since 1999 and no other clerks have been written up for this program. I was told by CSI that forty-seven other counties have used this same program for years with no write ups. I want my Examination Report to reflect things that I can work on to change if need be, not system findings that I can not change.

Thank you for your time and please feel free to call or email me with any other questions.



Letty McKee



June 16, 2008

COMPUTER SYSTEMS, INC.

Ms. Letty McKee
Clerk of Circuit Court of Fulton County
815 Main Street
Rochester, IN 46975

Re: Indiana State Board of Accounts

Dear Letty:

Per our conversation, I am responding to the written statement made by the Indiana State Board of Accounts (SBOA) which I assume is referring to reports generated by CSI's statewide case management system used by Fulton County and specifically the Clerk of Circuit Court.

I received via fax the written statement by the SBOA (see attached). I will try to respond specifically to that written statement and hope that my response addresses the specific concern by SBOA. The SBOA states that "Some items such as adjustments (voided checks, NSF checks, etc.) were not entered in the records of the Clerk. When an adjustment is made, the adjustment does not hit the transaction of the cash book, but changes the beginning balance of the following day in the account affected".

As described more fully herein, the above statement by SBOA is incorrect because it appears to ignore two key reports that are generated by CSI's statewide case management system called the Cash Book of Disbursements and Clerk's Cash Book and Daily Balance Record. I have included a copy of those reports taken from Fulton County's actual system which are dated June 3, 2008 and are labeled herein as Exhibit 1 and Exhibit 2. These two reports are "Clerk's Cash Book And Daily Balance Record (Exhibit 1) and "Fulton County - Cash Book of Disbursements: for Tue, Jun 03 2008" (Exhibit 2).

Regarding the statement, "Some items such as adjustments (voided checks, NSF checks, etc.) were not entered in the records of the Clerk", please note on Exhibit 2, page 3 of that report that there is a detailed transaction referencing an adjustment of \$105.21 for check # 93608 dated 5/2/08 that was voided on June 3, 2008 (labeled "A"). Therefore, the adjustments (voided checks, NSF checks, etc.) do in fact hit the records of the Clerk and specifically on the report called "Fulton County - Cash Book of Disbursements: for Tue, Jun 03 2008" (Exhibit 2).

Regarding the statement, "When an adjustment is made, the adjustment does not hit the transaction of the cash book, but changes the beginning balance of the following day in the account affected", please note that as a result of this same voided check on June 3, 2008, \$105.21 was added back to the bank balance for the category called Judgments. However, as you will note on Exhibit 1, page 2 of the report labeled "Clerk's Cash Book and Daily Balance Record",

12975 Parkside Drive
Fishers, IN 46038
317-913-4160
FAX 317-913-4175
csi@computer-systems.com
www.computer-systems.com

the category called "Judgments" retained the beginning balance of \$1578.62 which did not change and is contrary to SBOA statement above.

It is important to note that the Clerk's Cash Book and Daily Balance Record is a summary report. Therefore, to reflect the affect of the \$105.21 voided check, CSI leaves the beginning balance unchanged but then shows an "Adjusted Beg Bal." (below the Judgment category beginning balance) of \$1683.83. The difference between the Judgment beginning balance and Adjusted Beg Bal is the \$105.21 voided check which as already noted above has been recorded and detailed in the "Fulton County - Cash Book of Disbursements: for Tue, Jun 03 2008" (Exhibit 2).

Therefore, based upon my understanding of SBOA's statement herein and the response to their statement herein, CSI believe the conclusion reached by the SBOA is incorrect.

CSI has used these same two same reports in Indiana and in forty-seven other counties for numerous years which have always met with SBOA approval. While this is the first instance of any CSI reports being considered a problem by SBOA in a long while, I would welcome any response to my refuting of the SBOA's statement just in case CSI's has not properly understood SBOA's concern or that my response needs more clarification.

After reviewing how CSI display an "Adjusted Beg Bal" on the Clerk's Cash Book And Daily Balance Record below the beginning balance, would it be beneficial to add a line between the two balances that denotes the total of all "adjustments" to arrive at the "Adjusted Beg Bal" as follows?

JUDGMENTS	\$1578.62
ADJUSTMENTS	\$ 105.21 *
Adjusted Beg Bal:	\$1683.83

* Add this line to the summary report (e.g. Clerk's Cash Book And Daily Balance Record) which reconciles the adjustment total to the "Cash Book of Disbursements".

In the interest of making sure the SBOA's concerns have been properly addressed, I would be very happy to discuss via telephone or arrange a meeting at Fulton County to discuss this issue more fully. I look forward to making certain Fulton County, SBOA and CSI work together to resolve any concerns.

Respectfully,



Kevin J. Cook
President

enclosure

EXHIBIT 1

CLERK'S CASH BOOK AND DAILY BALANCE RECORD

Date of Balance Jun 03 2008

Thu Jun 12 2008 14:02:56

Account	Beginning Balance	Receipts During the Day	Disbursements For the Day	Ending Balance
Payable to FULTON COUNTY TREASURER				
COURT COSTS COUNTY	\$11668.30	\$552.80	\$11432.80	\$788.30
FINES & FORFEITURES	\$1563.50	\$180.00	\$1473.50	\$270.00
INFRACTION JUDGMENTS	\$8004.50	\$419.00	\$7824.50	\$599.00
LAW ENF CONT ED-3	\$879.00	\$39.00	\$858.00	\$60.00
JURY PAY FEE-2	\$586.00	\$28.00	\$572.00	\$42.00
CO COUNTERMEASURES 75%	\$1200.50	\$121.00	\$1350.50	\$121.00
Adjusted Beg Bal: ¹⁵⁰ <	\$1350.50			
CO USER FEES	-\$50.00	\$0.00	\$0.00	\$0.00
Adjusted Beg Bal: ⁺⁵⁰ <	\$0.00			
CO INTERDICTION FEE 75%	\$875.00	\$150.00	\$725.00	\$150.00
Adjusted Beg Bal: ⁻¹⁵⁰ <	\$725.00			
ALCOHOL & DRUG FEE	\$3482.50	\$500.00	\$3382.50	\$600.00
PRE-TRIAL DIVERSION	\$7180.00	\$612.00	\$7180.00	\$612.00
MARRIAGE LICENSE-COUNTY-8	\$208.00	\$0.00	\$160.00	\$48.00
ORDINANCE VIOLATION	\$0.00	\$0.00	\$0.00	\$0.00
OVERWEIGHT VEHICLE FEE	\$0.00	\$0.00	\$0.00	\$0.00
DOMESTIC VIOLENCE FEE	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC DEFENDER FEE	\$1233.00	\$50.00	\$1233.00	\$50.00
ADULT COMM SERVICE FEE	\$152.00	\$40.00	\$152.00	\$40.00
JUVENILE COMM SERVICE FEE	\$56.00	\$0.00	\$56.00	\$0.00
LATE SURRENDER FEES	\$0.00	\$0.00	\$0.00	\$0.00
FAX - CLERK FUND	\$20.00	\$0.00	\$20.00	\$0.00
MISC FEE	\$1204.00	\$4.00	\$1173.00	\$35.00
DOCUMENT FEE	\$7.00	\$0.00	\$7.00	\$0.00
SUPPORT FEE	\$889.00	\$55.00	\$814.00	\$130.00
GUARDIAN AD-LITEM FEE	\$0.00	\$0.00	\$0.00	\$0.00
INTEREST ON INVESTMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL DEATH BENEFIT	\$0.00	\$0.00	\$0.00	\$0.00
DOCUMENT STORAGE FEE	\$950.00	\$34.00	\$934.00	\$50.00
VOTER REGISTRATION FEE	\$0.00	\$0.00	\$0.00	\$0.00
CHILD ABUSE PREV FEE	\$0.00	\$0.00	\$0.00	\$0.00
SMALL CLAIMS SERVICE FEE	\$1160.00	\$0.00	\$1150.00	\$10.00



Vouched receipt - 68753

Date of Balance Jun 03 2008

Account	Beginning Balance	Receipts During the Day	Disbursements For the Day	Ending Balance
CIVIL SERVICE FEE	\$510.00	\$0.00	\$510.00	\$0.00
CHLD RESTRAINT VIOLATION	\$0.00	\$0.00	\$0.00	\$0.00
BOND FEE \$5.00	\$235.00	\$0.00	\$235.00	\$0.00
SHERIFF SERVICE FEE	\$2382.00	\$65.00	\$2356.00	\$91.00
Payable to TREASURER OF STATE				
COURT COSTS STATE	\$144786.30	\$1343.20	\$144236.80	\$1892.70
HIGHWAY WORK ZONE FEE-.50	\$692.00	\$5.50	\$689.00	\$8.50
STATE USER FEES	\$2987.00	\$50.00	\$2987.00	\$50.00
ST INTERDICTION FEE	\$1217.00	\$50.00	\$1167.00	\$50.00
Adjusted Beg Bal:	\$1167.00			
MARRIAGE LICENSE-STATE-10	\$860.00	\$0.00	\$800.00	\$60.00
AUTO RECORD KEEPING FEE	\$18602.00	\$119.00	\$18546.00	\$175.00
SEXUAL ASSAULT ASST FEE	\$0.00	\$0.00	\$0.00	\$0.00
JUDICIAL ADMIN FEE	\$11.00	\$0.00	\$11.00	\$0.00
JUDICIAL INSURANCE ADJ FEE	\$2698.00	\$17.00	\$2690.00	\$25.00
PUBLIC DEFENSE ADMIN FEE	\$7972.00	\$51.00	\$7948.00	\$75.00
DNA SAMPLE PROCESSING FEE	\$2980.00	\$28.00	\$2966.00	\$42.00
COURT ADMIN FEE	\$7976.00	\$51.00	\$7952.00	\$75.00
JUDICIAL SALARY FEE	\$41218.00	\$288.00	\$41088.00	\$418.00
Payable to TRUST				
TRUST	\$35548.44	\$0.00	\$0.00	\$35548.44
JUDGMENTS	\$1578.62	\$1273.55	\$105.21	\$2852.17
Adjusted Beg Bal:	\$1683.83			
RESTITUTION	\$17679.94	\$100.00	\$0.00	\$17779.94
CASH BONDS	\$339481.09	\$0.00	\$0.00	\$339481.09
UNCLAIMED FUNDS TRUST	\$0.00	\$0.00	\$0.00	\$0.00
Payable to AKRON CITY CLERK/TREAS				
AKRON TOWN ORDINANCE	\$0.00	\$0.00	\$0.00	\$0.00
Payable to 0				
ISETS COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00
WILL FEE	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$670787.90	\$6226.05	\$274784.81	\$402229.14
YTD Totals		\$816912.87	\$886668.97	

1578.62
 + 105.21
 1683.83
 1683.83
 17679.94
 193663.77

voided
 receipt
 44 753

voided
 checks
 see

CASH BOOK of Disbursement
 \$105.21

EXHIBIT 2

Thu Jun 12 2008 13:59:

FULTON COUNTY - CASH BOOK OF DISBURSEMENTS: for Tue, Jun 03 2008

Pg: 1

Check No.	Disbursed To	Cause Number	Category	Amount of Che
-130297	ZERO CHECK	25C01-0205-MF-00191	JUDGMENTS	\$0.00
93987	FULTON COUNTY TREASURER	AGENCY-CHECK		\$43598.80
			\$11432.80 COURT COSTS COUNTY	
			\$1473.50 FINES & FORFEITURES	
			\$7824.50 INFRACTION JUDGMENTS	
			\$858.00 LAW ENF CONT ED-3	
			\$572.00 JURY PAY FEE-2	
			\$1350.50 CO COUNTERMEASURES 75%	
			\$725.00 CO INTERDICTION FEE 75%	
			\$3382.50 ALCOHOL & DRUG FEE	
			\$7180.00 PRE-TRIAL DIVERSION	
			\$160.00 MARRIAGE LICENSE-COUNTY-8	
			\$1233.00 PUBLIC DEFENDER FEE	
			\$152.00 ADULT COMM SERVICE FEE	
			\$56.00 JUVENILE COMM SERVICE FEE	
			\$20.00 FAX - CLERK FUND	
			\$1173.00 MISC FEE	
			\$7.00 DOCUMENT FEE	
			\$814.00 SUPPORT FEE	
			\$934.00 DOCUMENT STORAGE FEE	
			\$1150.00 SMALL CLAIMS SERVICE FEE	
			\$510.00 CIVIL SERVICE FEE	
			\$235.00 BOND FEE \$5.00	
			\$2356.00 SHERIFF SERVICE FEE	

			\$43598.80 TOTAL FOR CHECK 93987	
93988	TREASURER OF STATE SETTLEMENT DEPUTY 240 STATE HOUSE INDIANAPOLIS IN 46204	AGENCY-CHECK		\$231080.80
			\$144236.80 COURT COSTS STATE	
			\$689.00 HIGHWAY WORK ZONE FEE-.50	
			\$2987.00 STATE USER FEES	
			\$1167.00 ST INTERDICTION FEE	
			\$800.00 MARRIAGE LICENSE-STATE-10	
			\$18546.00 AUTO RECORD KEEPING FEE	
			\$11.00 JUDICIAL ADMIN FEE	
			\$2690.00 JUDICIAL INSURANCE ADJ FEE	
			\$7948.00 PUBLIC DEFENSE ADMIN FEE	
			\$2966.00 DNA SAMPLE PROCESSING FEE	
			\$7952.00 COURT ADMIN FEE	
			\$41088.00 JUDICIAL SALARY FEE	

			\$231080.80 TOTAL FOR CHECK 93988	
93989	DYCK-O'NEAL INC † WELCH & CO., LLC 117 N HIGH ST PO BOX 428 MUNCIE IN 47305	25C01-0205-MF-00191	JUDGMENTS	\$105.21

			\$274784.81	

DAILY SUMMARY BY CATEGORY

Thu Jun 12 2008 13:59:

FULTON COUNTY - CASH BOOK OF DISBURSEMENTS: for Tue, Jun 03 2008

Pg: 2

Check No.	Disbursed To	Cause Number	Category	Amount of Che
			\$11432.80 COURT COSTS COUNTY	
			\$144236.80 COURT COSTS STATE	
			\$1473.50 FINES & FORFEITURES	
			\$7824.50 INFRACTION JUDGMENTS	
			\$858.00 LAW ENF CONT ED-3	
			\$689.00 HIGHWAY WORK ZONE FEE-.50	
			\$572.00 JURY PAY FEE-2	
			\$1350.50 CO COUNTERMEASURES 75%	
			\$0.00 CO USER FEES	
			\$2987.00 STATE USER FEES	
			\$725.00 CO INTERDICTION FEE 75%	
			\$1167.00 ST INTERDICTION FEE	
			\$3382.50 ALCOHOL & DRUG FEE	
			\$7180.00 PRE-TRIAL DIVERSION	
			\$160.00 MARRIAGE LICENSE-COUNTY-8	
			\$800.00 MARRIAGE LICENSE-STATE-10	
			\$0.00 TRUST	
			\$105.21 JUDGMENTS	
			\$0.00 RESTITUTION	
			\$0.00 CASH BONDS	
			\$0.00 ORDINANCE VIOLATION	
			\$0.00 OVERWEIGHT VEHICLE FEE	
			\$0.00 DOMESTIC VIOLENCE FEE	
			\$1233.00 PUBLIC DEFENDER FEE	
			\$152.00 ADULT COMM SERVICE FEE	
			\$56.00 JUVENILE COMM SERVICE FEE	
			\$0.00 LATE SURRENDER FEES	
			\$20.00 FAX - CLERK FUND	
			\$1173.00 MISC FEE	
			\$7.00 DOCUMENT FEE	
			\$814.00 SUPPORT FEE	
			\$0.00 GUARDIAN AD-LITEM FEE	
			\$0.00 INTEREST ON INVESTMENTS	
			\$0.00 ISETS COLLECTIONS	
			\$0.00 SPECIAL DEATH BENEFIT	
			\$0.00 AKRON TOWN ORDINANCE	
			\$934.00 DOCUMENT STORAGE FEE	
			\$18546.00 AUTO RECORD KEEPING FEE	
			\$0.00 SEXUAL ASSAULT ASST FEE	
			\$0.00 VOTER REGISTRATION FEE	
			\$0.00 CHILD ABUSE PREV FEE	
			\$0.00 UNCLAIMED FUNDS TRUST	
			\$11.00 JUDICIAL ADMIN FEE	
			\$2690.00 JUDICIAL INSURANCE ADJ FEE	
			\$7948.00 PUBLIC DEFENSE ADMIN FEE	
			\$2966.00 DNA SAMPLE PROCESSING FEE	
			\$7952.00 COURT ADMIN FEE	
			\$1150.00 SMALL CLAIMS SERVICE FEE	
			\$510.00 CIVIL SERVICE FEE	
			\$41088.00 JUDICIAL SALARY FEE	
			\$0.00 CHLD RESTRAINT VIOLATION	
			\$235.00 BOND FEE \$5.00	
			\$0.00 WILL FEE	

FULTON COUNTY - CASH BOOK OF DISBURSEMENTS: for Tue, Jun 03 2008

Check No.	Disbursed To	Cause Number	Category	Amount of Che
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			\$2356.00	SHERIFF SERVICE FEE
--	--	--	-----------	---------------------

			\$274784.81	TOTAL FOR DAY 06/03/2008
--	--	--	-------------	--------------------------

Adjustments to Beg Balance

CHECKS VOIDED ON 06/03/08 BUT WRITTEN ON A PREVIOUS DATE

93608	WRITTEN ON 05/02/08 WRONG PAYEE			
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JUDGMENTS



\$105.21

break down category

\$105.21

DAILY CASH RECONCILEMENT
Jun 03 2008

Name of Depository	Depository Balance at Beginning	Deposits During Day	Checks Issued During Day	Depository Balance at Close of Day
NORWEST	\$0.00	\$0.00	\$0.00	\$0.00
LAKE CITY BANK	\$670532.69			
Adjusted Beg Bal	\$670637.90	\$6226.05	\$274784.81	\$402079.14
Total	----- \$670637.90	----- \$6226.05	----- \$274784.81	----- \$402079.14
Add Cash on Hand at End of Day				\$150.00
Plus Cash Short or Minus Cash Long				\$0.00
				----- \$402229.14